

MINUTES

**California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
August 28, 2007**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:31 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer
Anne Sheehan for Michael C. Genest, Director, Department of Finance
Cindy Aronberg (via teleconference) for John Chiang, State Controller
Timothy L. Le Bas for Preston DuFauchard, California Corporations
Commissioner, Department of Corporations
Stanton Hazelroth for Dale Bonner, Agency Secretary, Business,
Transportation and Housing Agency

Staff Present: Eileen Marxen, Deputy Executive Director

Quorum: The Acting Chair declared a quorum

2. APPROVAL OF JULY 24, 2007 MEETING MINUTES

Ms. Redway asked if there were any comments on the July 24, 2007 meeting minutes. There were none.

Anne Sheehan moved to approve the minutes of the July 24, 2007 meeting. Upon a second, the minutes passed with the following vote: Anne Sheehan: Aye; Cindy Aronberg: Aye; Timothy L. Le Bas: Aye; Stanton Hazelroth: Aye; Bettina Redway: Aye.

3. EXECUTIVE DIRECTOR'S REPORT

Eileen Marxen began the Executive Director's report by noting that CIDFAC has entered into an Interagency Agreement with the State Treasurer's Office (STO) to provide administrative services, which include accounting, budgeting, personnel, and other administrative support services, for the Commission. The contract amount for Fiscal Year 2007/2008 is \$15,184.00.

Ms. Marxen then reported on Industrial Development Bond (IDB) allocation, stating that the California Debt Limit Allocation Committee (CDLAC) had awarded an additional \$29,720,000 to the Industrial Development Bond (IDB) pool at its July meeting. Ms. Marxen noted that IDB allocation is over subscribed by a little more than \$600,000. CIDFAC is

hopeful that CDLAC will be able to allocate the \$600,000 from another source to the IDB pool and thereby fund the full IDB demand at its September allocation meeting.

Ms. Redway asked if there were questions or comments from the Board.

Mr. Hazelroth conveyed his appreciation for staff's work to ensure the best possible result for the IDB demand issue.

Ms. Redway also commented that it is good to see the number of IDB applicants increasing and aggressively pursuing allocation.

4. BUSINESS ITEMS

Ms. Aronberg stated that she would not be participating in the next item.

Ms. Redway asked Ms. Aronberg if there was anyone else in her office.

Ms. Aronberg stated that there were no public attendees at the Los Angeles location. Ms. Aronberg further noted that staff had informed her that Wells Fargo was involved in the following transaction and, therefore, the Controller would not participate. Ms. Redway muted the teleconference system so that Ms. Aronberg was not included in the Commission's deliberations and actions.

A. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTIONS FOR TAX-EXEMPT (TE) BONDS

Staff introduced Lisa Mortenson, American Biodiesel, Inc., dba Community Fuels, and Terence Murphy, California Statewide Communities Development Authority (CSCDA).

(1) On behalf of American Biodiesel, Inc. (dba Community Fuels) and/or an affiliate, the California Statewide Communities Development Authority (CSCDA) requested approval of Initial and Final Resolution No. 07-0015 for an amount up to \$8,000,000. Bond proceeds will be used to design, construct, and operate a biodiesel manufacturing plant. Community Fuels produces high-quality biodiesel fuel. The Company plans to lease land and a 40,000-square foot warehouse building from the Port of Stockton. The Project involves renovating the existing warehouse to add a processing area, control room, boiler room, and laboratory. The project also includes the purchase and installation of biodiesel manufacturing equipment. The Project is being designed to initially produce approximately 7.5 million gallons of biodiesel per year. The Company plans to sell the biodiesel to fuel distributors, which will manage the blending process and sell the blended fuel to end-users. Some of the end-users will be a sampling of the traditional diesel markets, such as agriculture, the construction industry, commercial trucking fleets, and public sector fleets belonging to cities, counties, school districts, and the military. Staff assigned a total of 38 verifiable points to the Project. Presented by – Michael Smith.

Ms. Redway asked if there were any questions from the Board or comments from the public.

Ms. Mortenson replied that she was very excited about bringing the renewable fuel production project to California. Renewable fuel production will help develop a clean energy market and will provide economic benefits to the State.

Mr. Hazelroth commended the Port of Stockton for what it has done with its assets and stated that the Port is fortunate to have American Biodiesel working with it and vice versa.

Ms. Sheehan moved to approve the item; upon a second, the item passed with the following vote: Anne Sheehan: Aye; Stanton Hazelroth: Aye; Timothy L. Le Bas: Aye; Bettina Redway: Aye; Cindy Aronberg abstained.

(2) ColorGraphics, Inc. or a related entity project was withdrawn from the agenda.

(3) **On behalf of Crawford & Irion, LLC (Borrower) and Unique Elevator Interiors, Inc. (User)**, the Industrial Development Authority of Alameda County (IDA) requested approval of Initial and Final Resolution No. 07-0014 for an amount not to exceed \$2,675,000. The Company designs, manufactures, and installs custom elevator interiors using materials such as bronze, stainless steel, nickel, silver, and various types of exotic wood products. The Company represents that it is the only elevator interior company in the United States that holds a Forest Stewardship Council (FSC) Chain of Custody Certificate from the Scientific Certification Systems. According to the Company, this certification provides its customers with the opportunity to obtain Leadership in Energy and Environmental Design (LEED) credit when it uses the Company's certified products in building construction. LEED is a sustainability rating system developed by the U.S. Green Building Council. To accommodate the Company's current needs and projected growth, and to improve its operating efficiency, bond proceeds will be used to finance the purchase and construction of a new, built-to-suit 17,430 square-foot building in the City of Alameda. The Company is making some tenant improvements to the building to meet the needs of its operations, which includes solar paneling on the roof and a loading dock. In addition, bond proceeds will be used for the acquisition and installation of new equipment at the Alameda facility, including woodworking and metal fabrication equipment. The Company will be relocating from the City of Oakland to the City of Alameda, a distance of approximately eight miles. The relocation is due to inadequate space at the Oakland facility and the Company's inability to locate suitable space that is available in the City of Oakland. The Company provided a letter from the Business Development Services Manager for the Community and Economic Development Agency of the City of Oakland, which states that Oakland regrets that the Company was unable to find a suitable suite in Oakland but that Oakland is pleased the Company has selected a site nearby and that it has access to IDB financing. The Project was assigned a total of 30 verifiable points. Five of the 30 points that were

awarded are based upon the creation of 41 jobs within two years of completion of the Project. Presented by – Deanna Hamelin.

Ms. Redway asked if there were any questions or comments from the Board.

Ms. Aronberg commented on the sustainability measures the Company has undertaken and stated that this Company sets an example for environmental stewardship.

Tim Crawford and Tom Irion thanked Ms. Aronberg.

Ms. Aronberg moved approval of the item; upon a second, the motion was unanimously approved with the following vote: Cindy Aronberg: Aye; Stanton Hazelroth: Aye; Anne Sheehan: Aye; Timothy L. Le Bas: Aye, Bettina Redway: Aye.

5. PUBLIC COMMENT

Ms. Redway asked for public comments. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting was adjourned at 10:45 a.m.

Respectfully submitted,

Eileen Marxen
Deputy Executive Director